HOUSE RESEARCH ORGANIZATION • TEXAS HOUSE OF REPRESENTATIVES
P.O. Box 2910, Austin, Texas 78768-2910
(512) 463-0752 • https://hro.house.texas.gov

HOUSE RESEARCH ORGANIZATION

daily floor report

Monday, April 08, 2019
86th Legislature, Number 41
The House convenes at 1:15 p.m.
Part Two

Thirty-seven bills are on the daily calendar for second reading consideration today. The bills analyzed in Part Two of today's *Daily Floor Report* are listed on the following page.

Dwayne Bohac
Chairman
86(R) - 41

HOUSE RESEARCH ORGANIZATION

Daily Floor Report

Monday, April 08, 2019

86th Legislature, Number 41

Part 2

SUBJECT: Removing municipal distinctions for consent annexation procedures

COMMITTEE: Land and Resource Management — favorable, without amendment

VOTE: 7 ayes — Craddick, Muñoz, C. Bell, Biedermann, Canales, Minjarez, Thierry

0 nays

2 absent — Leman, Stickland

WITNESSES: For — Terry Harper, Republican Party of Texas; Ed O'Neill, Stop Forced Annexation in Freestone County; Bryson Boyd, Stop Forced Annexation in Wise County; Laura Hester, Stop Involuntary Annexation in Parker County; Shelby Sterling, Texas Public Policy Foundation; Julia Parenteau, Texas Realtors; and seven individuals; (*Registered, but did not testify*: Angela Smith, Fredericksburg Tea Party; Linda Tyler, SAPOA; Jeremy Fuchs, Texas and Southwestern Cattle Raisers Association; Ned Munoz, Texas Association of Builders; Marissa Patton, Texas Farm Bureau; Daniel Gonzalez, Texas Realtors; and 15 individuals)

Against — Greg Smith, City of Corpus Christi; Scott Houston, Texas Municipal League; Tim Kelty; (*Registered, but did not testify*: Karen Kennard, City of Missouri City, City of Port Arthur; Trace Finley, United Corpus Christi Chamber of Commerce)

BACKGROUND: Local Government Code ch. 43 divides counties and municipalities into two categories for the purpose of annexation authority. A "Tier 1 county" is a county with a population under 500,000 that does not contain a freshwater fisheries center operated by the Texas Parks and Wildlife Department. A "Tier 1 municipality" is a city wholly located in one or more Tier 1 counties that proposes to annex an area wholly located in one or more Tier 1 counties.

A "Tier 2 county" is a county with a population of at least 500,000 or a county in which a majority of the voters approved being a Tier 2 county at an election ordered by the commissioners court on the request of a petition

signed by at least 10 percent of the registered voters of the county. A "Tier 2 municipality" is a city wholly or partly located in a Tier 2 county or a city wholly located in one or more Tier 1 counties that proposes to annex an area in a Tier 2 county.

Ch. 43 regulates the process by which Tier 1 municipalities may annex certain areas. In certain circumstances, a Tier 1 home-rule municipality may annex adjacent areas without the consent of voters or landowners of the area.

The process by which Tier 2 municipalities may annex certain areas also is regulated under ch. 43. In general, a Tier 2 municipality must gain approval from the majority of voters or landowners of an area, by petition or election, to annex the area.

DIGEST:

HB 347 would repeal several sections of Local Government Code ch. 43 related to the distinction between Tier 1 and Tier 2 municipalities and counties for consent annexation procedures. The bill would make related conforming changes to statute.

The bill would remove the definitions of a Tier 1 municipality and Tier 1 county, as well as the general annexation procedures applicable to Tier 1 municipalities under Local Government Code ch. 43. Certain Tier 1 procedures would apply to specific areas exempted from consent annexation, including enclaves, industrial districts, areas owned by certain municipalities, navigable streams, strategic partnerships, municipally owned reservoirs, municipally owned airports, and certain roads and rights-of-way.

HB 347 would remove the definitions of a Tier 2 municipality and Tier 2 county. The bill would expand the applicability of consent annexation procedures that applied to Tier 2 municipalities under Local Government Code ch. 43 to all municipalities to which it was otherwise applicable under those sections.

The bill would take effect September 1, 2019, and would apply only to an annexation that was not final on that date.

SUPPORTERS SAY:

HB 347 would help end the process of forced annexation, in which a property in an unincorporated area of a county may become part of a city against the residents' will. This practice forces property owners into the jurisdiction and taxing authority of a city without their consent, making them liable for taxes and debt to which they did not agree, effectively enabling taxation without representation.

Currently, areas in small "Tier 1" counties may legally be involuntarily annexed by home-rule cities. Landowners may face higher taxes or fees or burdensome municipal regulations without receiving improved services. Many special districts already provide the same services the city would but at a lower cost.

While residents of areas adjacent to a city may use certain city services such as roads or parks, they already pay for those services through sales and gas taxes. Cities should not annex lands just to increase their tax base and balance budgets but should live within their own means.

Cities in larger "Tier 2" counties, however, must gain consent to annex land. A Tier 1 county may become a Tier 2 county through an election triggered by a petition signed by at least 10 percent of voters in the county. The petition and election process is costly, burdensome, and confusing to voters, especially in rural counties that have fewer resources.

The bill would restrict all cities from using forced annexation by eliminating the distinction between Tier 1 and Tier 2, protecting the property rights of all landowners. Ending the municipal distinction also would streamline the annexation process, ending the need for several elections across most counties to opt into Tier 2 status, cutting costs and administrative burdens for the counties.

HB 347 would expand on legislation enacted in 2017 to bring Texas up to date with most other states by forbidding the practice of involuntary annexation by all cities.

OPPONENTS SAY:

HB 347 would remove an important tool for cities to enhance the state's economic vitality. Municipal annexation is necessary because people who reside just outside of city limits tend to rely on city transportation

infrastructure, cultural attractions, and other services without paying the same taxes as residents of the city. Without the ability to annex, cities could not plan for future growth or recoup costs for those services.

In Texas, cities do not receive any state tax revenue to provide services, but they may raise their own revenues to provide those services. The state allows municipal annexation so that cities may bring adjacent areas into the city boundaries when it makes sense. HB 347 would threaten this ability without providing state aid, harming economic development in urban centers that drive growth and employment.

Most businesses and individuals moving to the state choose to reside inside or near cities, meaning cities must provide more services to increasing populations. City services support development in the region as well as the entire state. The bill would slow the economic activity that keeps Texas competitive.

While approval to annex an area could be gained through an election, residents may not realize the benefits of annexation and instead focus on the direct costs. Elections also impose administrative burdens and costs on city residents, who effectively must subsidize an election outside the city's boundaries.

Residents of areas just outside a city may pay the city's sales and gas taxes, but these only represent a small part of a city budget, and the revenue is not large enough to cover the expansion of services.

SUBJECT: Creating a pilot program to gradually reduce SNAP and financial benefits

COMMITTEE: Human Services — committee substitute recommended

VOTE: 9 ayes — Frank, Hinojosa, Clardy, Deshotel, Klick, Meza, Miller, Noble, Rose

0 nays

WITNESSES: For — Cindy Casey and Shannon Rosedale, Catholic Charities Fort Worth; Celia Cole, Feeding Texas; Jennifer Allmon, The Texas Catholic Conference of Bishops; (*Registered, but did not testify*: Judy Powell, Parent Guidance Center; Robert Widrow, RAISE Texas; Kathryn Freeman, Texas Baptist Christian Life Commission; Ann Baddour, Texas Appleseed; Mia McCord, Texas Conservative Coalition; Knox Kimberly, Upbring)

Against — None

On — (*Registered, but did not testify*: Gina Carter, Health and Human Services Commission; Will Francis, National Association of Social Workers-Texas Chapter; Courtney Arbour, Texas Workforce Commission)

DIGEST: CSHB 1483 would require the Health and Human Services Commission (HHSC) to develop and implement a pilot program for assisting eligible families to gain permanent self-sufficiency and no longer require benefits from the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families program, or certain other financial assistance programs.

The pilot program would waive income, asset, and time limit eligibility requirements for financial assistance and SNAP benefits for participating families for 24 to 60 months, and would reduce benefits over the course of the program in four phases.

The program would include 16 additional months for planning, designing,

recruiting, placement, data collection, and evaluation.

Development. HHSC would be required to develop and implement the pilot program with the assistance of the Texas Workforce Commission (TWC), local workforce development boards, faith-based and other relevant public or private organizations, and any other entity or person HHSC deemed appropriate.

The pilot program would have to be designed to allow social services providers, public benefit offices, and other community partners to refer families to the program.

Program size. HHSC would develop and implement the pilot program for no more than 500 eligible families. If the number of families participating in the program during a year reached capacity, the number of families that could be served in the following year could be increased by 20 percent.

Eligibility. A family would be eligible to participate in the pilot program if that family included one or more members who were recipients of SNAP or other financial assistance and at least one member who received assistance was between 18 and 62 years old and willing and able to be employed. A family would also be required to have a total household income that was less than a living wage in order to be eligible for participation in the program.

HHSC would be required to freeze a family's eligibility status for benefits for the duration of the family's participation in the program, beginning on the date the family entered the program. The waiver of any asset limit requirement would have to allow the family to have assets of at least $1,000 per member of the family's household.

Pilot program. The program would be designed to assist eligible, participating families to attain self-sufficiency, as defined in the bill, by identifying eligibility requirements and time limits for assistance benefits that would impede self-sufficiency as well as implementing strategies to remove those and other barriers.

The program would be designed to move participating families through

progressive stages towards self-sufficiency. These phases would include:

- an initial phase, in which a family would move out of an emergent crisis by securing housing, medical care, and financial and SNAP benefits as necessary;
- a second phase, in which the family would secure employment and child care, if needed, while participating in services to build the financial management skills necessary to meet financial goals;
- a third phase, in which the family would transition to self-sufficiency by securing employment that paid a living wage, reducing debt, and building savings; and
- a final phase, in which the family would attain self-sufficiency by retaining employment that paid a living wage, amassing at least $1000 in assets per family member, and having manageable debt.

During the second phase of the program, the family's financial assistance and SNAP benefits would be reduced according to a three-tier scale, based on the family's income.

In the third phase, a family would become ineligible for financial assistance and SNAP benefits once the family earned an income that reached 100 percent of the family's living wage.

In the final phase, a family would attain self-sufficiency so that the family would no longer be dependent on financial assistance, SNAP, or other means-tested public benefits for at least six months following the end of the family's participation in the pilot program.

Case management. A person from a family that wished to participate in the pilot program would be required to attend an in-person intake meeting with a program case manager.

During the intake meeting, the case manager would be required to:

- determine whether the person's family met the eligibility requirements;
- determine if it was possible to waive the income limit, asset limit,

and time limits of SNAP and financial benefits necessary for the family to participate in the pilot program;
- review the family's demographic information and household financial budget;
- assess the family members' current financial and career situations;
- collaborate with the person to develop and implement strategies for removing barriers to the family attaining self-sufficiency; and
- if the family was eligible and chose to participate, schedule a follow-up meeting to further assess the family's crisis, review available referral services, and create a service plan.

A participating family would be assigned to a program case manager who would be required to provide the family with verification of the waived application of asset, income, and time limits, allowing the family to continue receiving financial assistance and SNAP benefits on a slow reduction scale.

The program case manager would be required to work with the family to assess their crisis, review referral services, and create a service plan as well as medium- and long-term financial goals.

Research groups. The pilot program would be required to randomly place each participating family in one of three research groups, including:

- a control group;
- a group of families whose income, asset, and time limits on benefits were waived; and
- a group of families whose income, asset, and time limits on benefits were waived and who received holistic, wraparound case management services.

Data collection. The pilot program would be required to collect and share data that allowed for:

- obtaining participating families' eligibility and identification data before a family was randomly placed in a research group;
- conducting surveys or interviews of participating families;

- providing quarterly reports for up to 60 months after a participating family was enrolled in the pilot program regarding the program's effect on the family's labor market participation, income, and need for public benefits;
- assessing the interaction of the program's components with the desired outcomes of the program; and
- conducting a rigorous third party experimental impact evaluation of the pilot program.

Evaluation and Reporting. HHSC would be required to monitor and evaluate the pilot program in a manner that allowed for promoting research-informed results.

Within 48 months of the pilot program's completion, HHSC would be required to submit a report to the Legislature. The report would be required to include:

- an evaluation of the program's effect on participating families in achieving self-sufficiency;
- the impact to the state on the costs of SNAP, financial assistance, and child-care services program operated by the TWC;
- a cost-benefit analysis of the program; and
- recommendations on the feasibility and continuation of the program.

HHSC also would be required, as it deemed appropriate, to provide additional reports to the Legislature during the operation of the pilot program.

Implementation of program. TWC and the executive commissioner of HHSC would be authorized to adopt rules to implement the bill. The bill would expire September 1, 2026.

If a state agency determined that a waiver or authorization from a federal agency was necessary for implementation of any provision of the bill, the state agency would be required to request the waiver and would be permitted to delay implementation of the waiver or authorization until

granted.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

SUPPORTERS SAY:

CSHB 1483 would create a pilot program designed to ease families off government benefits while helping them secure jobs that pay a living wage, reduce debt and increase savings, and become financially self-sufficient.

Current public assistance programs often incentivize recipients of benefits to turn down better paying jobs because the increased income would disqualify them from the assistance they still need to meet immediate, necessary expenses, such as food, gas, rent, and child care. As a result, families receiving financial assistance often end up remaining in or re-entering poverty.

By slowly reducing benefits over time and eliminating income, assets, and time limits associated with those benefits for two to five years, CSHB 1483 would give families participating in the pilot program time to work their way into a job that paid a living wage. The program would also provide families with the financial tools and support necessary to help them get out of debt and build savings.

Because the bill would require the pilot program to begin with no more than 500 participants, with the opportunity to increase capacity if demand allowed, and include extensive data collection, assessments, reporting, and a third party analysis, the program would be well positioned to be successfully expanded in the future. Incorporating a random trial evaluation in the pilot program would pinpoint the most effective pieces of the program, providing helpful data for future policy decisions.

The pilot program would be designed to work with organizations most experienced and skilled at managing cases like those of potential program participants. By focusing the program at the community level, participating organizations would be able to be more responsive to the

populations they served.

OPPONENTS SAY:

CSHB 1483 should be expanded to include more families receiving public benefits. There is enough evidence that this type of program works to justify serving a larger population of the working poor and providing wraparound case management services to every participant of the program.

The bill should include a definition of case management. Without a clear definition of case management in the bill, there would be no way to ensure that research-informed, quality services were being provided by the participating organizations.

NOTES:

According to the Legislative Budget Board, CSHB 1483 would have an estimated negative fiscal impact of $203,977 in general revenue related funds through the biennium ending August 31, 2021.

SUBJECT: Reducing water rates for certain low-income customers through donations

COMMITTEE: Natural Resources — favorable, without amendment

VOTE: 8 ayes — Larson, Metcalf, Farrar, Harris, T. King, Lang, Price, Ramos

0 nays

3 absent — Dominguez, Nevárez, Oliverson

WITNESSES: For — Chuck Profilet, SouthWest Water Company; (*Registered, but did not testify*: Cyrus Reed, Lone Star Chapter Sierra Club; Clay Pope, San Jose Water Group dba Canyon Lake Water Service Company)

Against — None

BACKGROUND: Water Code sec. 13.182(b-1) permits the relevant regulatory authority to authorize a utility to offer reduced rates to customers 65 years old or older. These reduced rates may be funded through donations. The utility may not recover the cost of the reduced rate through charges to other customers.

DIGEST: HB 1506 would expand the list of customers who could receive reduced water and sewage rates to include those receiving Medicaid or benefits through the supplemental nutrition assistance program. The relevant regulatory authority could establish requirements for customers to be eligible for the reduced water and sewage rates.

The bill would apply to applications for rates filed on or after January 1, 2020. The Public Utility Commission and other regulatory authorities would be required to adopt rules to implement the bill's provisions by December 31, 2019.

The bill would take effect September 1, 2019

SUPPORTERS SAY: HB 1506 would protect vital access to necessary utilities for low-income Texans on Medicaid or the supplemental nutrition assistance program.

Allowing voluntary donations is a clear way to help Texans who struggle to pay their water and sewage bills without imposing an unfair burden on other rate payers.

OPPONENTS SAY:

No concerns identified.

SUBJECT: Offense of use of electronic communication as organized criminal activity

COMMITTEE: Criminal Jurisprudence — favorable, without amendment

VOTE: 7 ayes — Collier, K. Bell, J. González, Hunter, Moody, Murr, Pacheco

0 nays

2 absent — Zedler, P. King

WITNESSES: For — Shane Walker, Greater Austin Merchants Cooperative Association; Jeff Headley, Houston Police Department; Christopher Gatewood, Smith County Criminal District Attorney's Office; Paul Hardin, Texas Food & Fuel Association; (*Registered, but did not testify*: Rita Ostrander, Combined Law Enforcement Associations of Texas; Frederick Frazier, Dallas Police Association, State FOP legislative chairman; Richard Jankovsky, Department of Public Safety Officers Association; David Sinclair, Game Warden Peace Officers Association; Ray Hunt, Houston Police Officers Union; Stephen Scurlock, Independent Bankers Association of Texas; Jimmy Rodriguez, San Antonio Police Officers Association; Noel Johnson, TMPA)

Against — None

On — (*Registered, but did not testify*: Shannon Edmonds, Texas District and County Attorneys Association)

BACKGROUND: Penal Code sec. 71.02 makes engaging in organized criminal activity a crime. The offense consists of committing, or conspiring to commit, one or more of certain crimes or types of crimes listed in the statute with the intent to establish, maintain, or participate in a combination of three or more persons or in the profits of such a combination or as a member of a criminal street gang. The list of offenses that can be considered engaging in criminal activity has 18 categories, some with numerous individual offenses. Offenses are generally punished one category higher than the crimes themselves.

Sec. 16.02 makes it a crime to unlawfully intercept, use, or disclose wire, oral, or electronic communications. Offenses are generally second-degree felonies (two to 20 years in prison and an optional fine of up to $10,000).

DIGEST:

HB 869 would add the offense of unlawfully intercepting, using, or disclosing wire, oral, or electronic communications to the list of crimes that can constitute the offense of engaging in organized criminal activity.

The bill would take effect September 1, 2019, and would apply only to offenses committed on or after that date.

SUPPORTERS SAY:

HB 869 would give law enforcement officers another tool to combat credit card skimming. Skimmers are illegal devices attached to gas pumps, ATMs, or other terminals to steal credit card information. Often, thieves using skimmers work in groups to defraud numerous individuals per skimmer with a large impact on industries.

It often is unwieldy to prosecute these crimes using current laws that make it a crime to unlawfully intercept or use electronic communications or to commit theft by electronic device. In these situations, multiple victims of a skimmer must be called by the prosecution during the trial, which often is difficult. Penalties available under current law also do not reflect the seriousness of the consequences of large-scale skimming.

HB 869 would place unlawfully intercepting, using, or disclosing wire, oral, or electronic communications with similar crimes, including fraud, that can constitute organized criminal activity. This would help deter skimming, allow easier prosecutions for offenses, and impose appropriately higher penalties when skimming is carried out by an organized group. Prosecutors would retain discretion to handle cases of skimming under the offense itself or under the organized criminal activity statute.

The increased penalty allowed under HB 869 would apply only when the requirements for organized criminal activity were met so individuals committing offenses alone would not fall under the bill, nor would innocent individuals who were not part of a group committing the crime. The long list of affirmative defenses to prosecution for unlawful

interception of communications would continue to apply, helping to ensure that only those situations involving crimes could be prosecuted as organized criminal activity.

OPPONENTS SAY:

The Legislature should be cautious about any potential unintended consequences of adding to the organized criminal activity statute and having innocent individuals who happen to be associated with an offender end up being considered part of a criminal gang.

SUBJECT: Reporting mandates for post-secondary epinephrine auto-injector policies

COMMITTEE: Higher Education — favorable, without amendment

VOTE: 9 ayes — C. Turner, Button, Frullo, Howard, Pacheco, Schaefer, Smithee, Walle, Wilson

0 nays

2 absent — Stucky, E. Johnson

WITNESSES: For — (*Registered, but did not testify*: Christina Hoppe, Children's Hospital Association of Texas (CHAT); Dustin Meador, Texas Association of Community Colleges; Dan Finch, Texas Medical Association; Andrew Cates, Texas Nurses Association; Clayton Travis, Texas Pediatric Society; Ryan Lowery; Maria Person)

Against — None

On — Kathy Mosteller, University of Texas at Austin; (*Registered, but did not testify*: Rex Peebles, Texas Higher Education Coordinating Board)

BACKGROUND: Education Code sec. 51.882 authorizes institutions of higher education to adopt and implement a policy on the maintenance, storage, administration, and disposal of epinephrine auto-injectors on the institution's campus.

DIGEST: HB 476 would require institutions of higher education that have policies on epinephrine auto-injectors to include the policy in the institution's student handbook or a similar publication and to publish the policy on the institution's website.

Institutions that adopted such policies would have to submit to the Department of State Health Services (DSHS) a copy of their policies and any amendments the institution adopted. DSHS would be required to maintain a record, available to the public on request, of the most recent policies each institution has submitted.

This bill would take effect September 1, 2019.

SUPPORTERS SAY:

HB 476 would help institutions of higher education and the Department of State Health Services (DSHS) identify barriers that prevent the successful adoption and implementation of epinephrine auto-injector policies. Establishing robust, easily accessible policies on the administration of epinephrine auto-injectors would help students and staff know where to go and what to do in the event of a severe allergic reaction.

During the 85th regular legislative session, higher education institutions were given the authority to create epinephrine auto-injector policies. HB 476 would make the implementation process easier by requiring schools with existing policies to provide information detailing their policies to DSHS. This would enable institutions seeking to establish an auto-injector policy to use the information stored at DSHS to see what policies similar institutions had already successfully implemented.

This bill would not require institutions of higher education to adopt new policies. Instead, it would encourage post-secondary institutions to adopt proactive solutions to help save the lives of students, staff, and faculty that experience severe allergic reactions.

OPPONENTS SAY:

No concerns identified.

SUBJECT: Changing the governance of municipal management districts

COMMITTEE: Urban Affairs — favorable, without amendment

VOTE: 8 ayes — Button, Shaheen, Goodwin, E. Johnson, Middleton, Morales, Patterson, Swanson

1 nay — J. González

WITNESSES: For — Trey Lary, Allen Boone Humphries Robinson LLP; Jim Bigham

Against — (*Registered, but did not testify*: Clifford Sparks, City of Dallas)

BACKGROUND: Local Government Code ch. 375 allows for the creation of municipal management districts (MMDs) to promote, develop, encourage, and maintain employment, commerce, economic development, and the public welfare in the commercial areas of municipalities and metropolitan areas.

Sec. 375.022 requires that a petition submitted to the Texas Commission on Environmental Quality to establish an MMD be signed by the owners of a majority of the assessed value of the real property in the proposed district.

Sec. 375.161 prohibits MMDs from imposing any tax on single-family detached homes, duplexes, triplexes or fourplexes.

Sec. 375.063 requires that the director of an MMD be at least 18 years old and be:

- a resident of the district;
- an owner of property in the district;
- an owner of stock of a corporate owner of property in the district;
- an owner of a beneficial interest in a trust that owns property in the district; or
- an agent, employee, or tenant of an owner of property, owner of stock of a corporate owner of property, or owner of a beneficial interest in a trust that owns property in the district.

Sec. 375.092(f) allows MMDs to initiate and maintain improvement projects inside or outside of the boundaries of the district.

Sec. 375.243 prohibits the board of directors of an MMD from calling a bond election unless requested via petition by the owners of 50 percent or more of the assessed value of the property or owners of 50 percent or more of the surface area of the district, excluding roads, streets, highways, other public areas and other property exempt under statute.

Sec. 375.262 requires the board to dissolve an MMD when presented with a written petition from the owners of at least 75 percent of the assessed value of the property in the district or 75 percent of the surface area of the district, including roads, streets, highways, other public areas and other property exempt under statute.

DIGEST:

HB 304 would make certain changes to the governance and operation of municipal management districts (MMDs).

The bill would require that a petition submitted to the Texas Commission on Environmental Quality to establish an MMD be signed by the owners of a majority of the assessed value of the real property in the district that would be subject to assessment by the district.

The bill would no longer list being a resident of the district as a qualification for becoming director of an MMD. This provision would apply only to a member of a board of directors of an MMD appointed on or after the bill's effective date.

The bill would allow the owners of a majority of the assessed value of the property subject to assessment by the district to recommend to the governing body of the municipality in which the district was located persons to serve on the MMD's board of directors.

The bill would restrict an MMD’s ability to initiate and maintain improvement projects to those that benefited property in the district, regardless of whether the improvements or services were located inside or outside its boundaries.

HB 304 would prohibit the board of directors of an MMD from calling a bond election unless a petition requesting the bond election was submitted by the owners of a majority of the assessed value of the property in the district subject to assessment by the district.

HB 304 would prohibit the board of directors of an MMD from financing improvement projects unless a petition requesting the bond election was submitted by the owners of a majority of the assessed value of the property in the district subject to assessment by the district or the owners of a majority of the surface area of the real property subject to assessment.

The bill would require the board to dissolve an MMD when presented with a written petition from the owners of at least two-thirds of the assessed value of the property subject to assessment or taxation by the district.

The bill would take effect on September 1, 2019.

SUPPORTERS SAY:

HB 304 would ensure that municipal management districts (MMDs) were accountable to the people paying taxes in the district, increasing their accountability and effectiveness. The bill would give those who funded the districts a chance for greater influence on and awareness of its activities.

Changing the threshold for various petitions related to MMDs from a percentage of the value of property owned in the district to a percentage of the value of property owned that was subject to assessment by the district would ensure that the district was governed by those who pay taxes to it.

Because MMDs do not tax single-family homes and small apartment buildings, having residency as a qualification for serving on the board allows for a situation in which a member of the board is not assessed by the district. HB 304 would foreclose this possibility while still allowing some residents to qualify for board membership in their capacities as tenants.

OPPONENTS SAY:

HB 304 would elevate the needs of property owners above those of other Texans. Everyone who is affected by the actions of a political body

deserves a role in its governance, including those who own smaller properties or no property. The bill contains no requirement for the board to have a representative from the municipal government, so there is no guarantee that the people will have a voice in governing the district. Eliminating the residency qualification only lessens the likelihood that the board will act in the best interest of the district's residents.

SUBJECT: Adjusting state bank limits on investments in community development

COMMITTEE: Pensions, Investments and Financial Services — favorable, without amendment

VOTE: 11 ayes — Murphy, Vo, Capriglione, Flynn, Gervin-Hawkins, Gutierrez, Lambert, Leach, Longoria, Stephenson, Wu

0 nays

WITNESSES: For — Karen Neeley, Independent Bankers Association of Texas; (*Registered, but did not testify*: Meredyth Fowler, Independent Bankers Association of Texas; Celeste Embrey, Texas Bankers Association; John Fleming, Texas Mortgage Bankers Association)

Against — None

On — (*Registered, but did not testify*: Charles Cooper, Texas Department of Banking)

BACKGROUND: Finance Code sec. 34.106 authorizes state-chartered banks to make investments of a predominantly civic, community, or public nature, including investments providing housing, services, or jobs or promoting the welfare of low-income and moderate-income communities or families. A bank's aggregate investments of this type, including loans and commitments for loans, are limited to 10 percent of the bank's unimpaired capital and surplus. The banking commissioner may authorize investments in excess of this limit under certain circumstances.

DIGEST: HB 1175 would increase the limit on a state-chartered bank's authorized aggregate investments in community development projects from 10 percent to 15 percent of the bank's unimpaired capital and surplus. It would remove a requirement that the investments subject to the cap included loans and loan commitments.

A bank's exposure to a single community development project or entity, including all investments, loans, and commitments for loans, could not

exceed 25 percent of the bank's unimpaired capital and surplus without the prior authorization of the banking commissioner in response to a written application.

The bill would take effect September 1, 2019.

SUPPORTERS SAY:

HB 1175 would improve state-chartered banks' ability to easily invest in their local communities and would bring the limitations on state bank investment in community development back into parity with federal regulation.

When the Texas Banking Act was enacted in 1995, the 10 percent limit on state-chartered bank investment in public welfare investments was consistent with the U.S. Office of the Comptroller of the Currency (OCC) limit on national banks. Because public welfare investments proved so successful in the following decade, the OCC recommended raising the limit to 15 percent. In 2006, Congress enacted the proposed change. These investments have proved similarly successful in Texas, and the state should avail itself of a similar increase in investment limits.

HB 1175 also would aid state bank compliance with the Community Reinvestment Act, a federal regulation designed to encourage banks to invest in local communities, including low- and moderate-income neighborhoods and individuals.

The bill would change the manner is which the limit on investments would be calculated, creating an adequate safeguard against the possibility of excessive leveraging in a single project. Total investment in a single community development, inclusive of all pertaining loans and loan commitments, would be capped at 25 percent of a bank's capital and surplus, subject to prior authorization from the banking commissioner.

OPPONENTS SAY:

No concerns identified.

SUBJECT: Making one elected member ERS board of trustees seat eligible to retirees

COMMITTEE: Pensions, Investments and Financial Services — favorable, without amendment

VOTE: 9 ayes — Murphy, Vo, Capriglione, Flynn, Gervin-Hawkins, Lambert, Longoria, Stephenson, Wu

0 nays

2 absent — Gutierrez, Leach

WITNESSES: For — Luther Elmore, AFSCME Texas Retirees; Bill Hamilton, Retired State Employees Association of Texas; Leroy Haverlah; (*Registered, but did not testify*: Maura Powers, AFSCME Texas Retirees; Chris Jones, CLEAT; David Sinclair, Game Warden Peace Officers Association; Charley Wilkison, Sheriff's Employees Organization of Harris County; Rene Lara, Texas AFL-CIO; Tyler Sheldon, Texas State Employees Union)

Against — (*Registered, but did not testify*: George Christian, Texas Public Employees Association)

BACKGROUND: Government Code ch. 815 governs the Employees Retirement System (ERS) board of trustees, which is composed of six members. Three board members are appointed with the advice and consent of the Senate, one each by the governor, the chief justice of the Texas Supreme Court, and the House speaker. The other three members are nominated and elected by ERS members. To be eligible to serve as an elected member of the board, a person must be a member of the employee class of the retirement system.

DIGEST: HB 596 would allow one elected member of the Employees Retirement System (ERS) board of trustees to be a retiree. The bill would apply only to an election of a member of the board of trustees that occurred on or after the bill's effective date.

The bill would take effect September 1, 2019.

SUPPORTERS SAY:

HB 596 would appropriately expand the candidate pool for Employees Retirement System (ERS) board membership by allowing retirees to stand for election. Retirees are an important stakeholder group for ERS and should be able to provide input and direction on matters that could directly affect them.

The bill would not create a new seat or explicitly grant one of the three elected seats to a retiree. Rather, it would make retirees eligible to serve on the board. The board already contains dedicated seats for active members, which is a type of special classification. Opening the eligibility of one active member seat to retirees would simply add another stakeholder's perspective to the board.

HB 596 would hold the board more accountable to its members by better aligning board membership with ERS members. Because retirees are in a different benefit tier system than active ERS members, it is appropriate that they be eligible for representation. The bill also could increase regional representation on the ERS board, as many retirees live in suburban and rural communities.

HB 596 would more closely align the eligibility requirements for the ERS board with those of the Teacher Retirement System (TRS) and the Texas County and District Retirement System (TCDRS), which both have at least one dedicated board seat for retirees. Neither active members nor retiree board members on the ERS, TRS, or TCDRS boards of trustees have ever posed a risk to the financial integrity of the systems, and administrative governance rules provide strong protections against board members making conflict of interest votes.

OPPONENTS SAY:

HB 596 would make an unnecessary change to rules governing membership of the ERS board of trustees, as active members adequately represent the interests of retirees. Creating a special classification for retired ERS members could run the risk of politicizing decision-making. Current board eligibility rules function well, and it could be imprudent to make changes to a well functioning board that could affect the financial

integrity of the system.

SUBJECT: Establishing residency for school admission of military dependents

COMMITTEE: Public Education — favorable, without amendment

VOTE: 12 ayes — Huberty, Bernal, Allen, Allison, Ashby, K. Bell, Dutton, M. González, K. King, Meyer, Talarico, VanDeaver

0 nays

1 absent — Sanford

WITNESSES: For — (*Registered, but did not testify*: R Clint Smith, Abilene Chamber of Commerce; Chris Masey, Coalition of Texans with Disabilities; Barry Haenisch, Texas Association of Community Schools; Kyle Ward, Texas PTA; Lisa Dawn-Fisher, Texas State Teachers Association)

Against — None

On — (*Registered, but did not testify*: Von Byer, Leonardo Lopez, and Eric Marin, Texas Education Agency)

BACKGROUND: Education Code sec. 25.001(b) establishes residency requirements for persons seeking admission into public schools. Sec. (c) allows a school district board of trustees to require evidence that a person is eligible to attend the district's public schools. A board or its designee is required to establish minimum proof of residency acceptable to the district.

DIGEST: HB 1597 would allow the children of active-duty members of the U.S. armed forces, including the state military forces or a reserve component of the armed forces, to establish residency for admission into Texas public schools by providing the school district a copy of a military order requiring the parent's or guardian's transfer to a military installation in or adjacent to the district's attendance zone.

A person who used a military transfer order to establish residency would be required to provide to the school district proof of residence, including in a military temporary lodging facility, in the district's attendance zone

not later than the 10th day after the arrival date specified in the order.

The bill would apply residency provisions in Education Code Sec. 25.001 to open-enrollment charter schools.

The bill would apply beginning with the 2019-2020 school year.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

SUPPORTERS SAY:

HB 1597 would allow the advance school enrollment of children from military families who were being relocated to a duty location in Texas. Current residency requirements may limit these children from enrolling until they physically arrive in Texas, limiting their chances to enroll in competitive charter or magnet school programs with limited space. The bill would allow families to use valid military transfer orders as proof of residency for a school attendance zone. The family would have to follow up with traditional evidence of their residence within 10 days of arriving in the district or charter school attendance zone.

The Governor's Committee to Support the Military identified the residency issue in its 2018 report. The report said that certain school districts allow early enrollment but the state lacks a uniform policy. Such a policy could help military children who move during the summer enroll in summer programs or be placed on waitlists for competitive public school programs, the report said.

OPPONENTS SAY:

No concerns identified.

SUBJECT: Expanding the physician education loan repayment program

COMMITTEE: Higher Education — favorable, without amendment

VOTE: 10 ayes — C. Turner, Stucky, Frullo, Howard, E. Johnson, Pacheco, Schaefer, Smithee, Walle, Wilson

0 nays

1 absent — Button

WITNESSES: For — Lane Aiena and Hilary Kieffer, Texas Academy of Family Physicians; (*Registered, but did not testify*: Frank McStay, Baylor Scott & White Health; Kelly Barnes, Central Health; Maureen Milligan, Teaching Hospitals of Texas; Mimi Garcia, Texas Association of Community Health Centers; Michelle Romero, Texas Medical Association; Clayton Travis, Texas Pediatric Society)

Against — (*Registered, but did not testify*: CJ Grisham)

On — (*Registered, but did not testify*: Charles Puls, Texas Higher Education Coordinating Board)

BACKGROUND: Education Code sec. 61.531 establishes the physician education loan repayment program and authorizes the Texas Higher Education Coordinating Board to provide financial assistance for qualifying physicians to help with their educational debt.

Sec. 61.538 sets yearly limits on the amount of money a physician may receive from the program, beginning with $25,000 for the first year and increasing to $55,000 by the fourth year. Total repayment assistance provided by the board to an individual may not exceed $160,000.

DIGEST: HB 2261 would increase the amount of money a physician could receive under the physician education loan repayment program by $5,000 each year. This would bring the total amount of repayment assistance available to physicians through the program to $180,000.

The bill would apply only to physicians who established eligibility for loan repayment assistance on the basis of an application submitted on or after September 1, 2019.

This bill would take effect September 1, 2019.

SUPPORTERS SAY:

HB 2261 would help alleviate the physician shortage in Texas by providing qualifying physicians with greater loan repayment assistance. While the physician education loan repayment program has been successful in attracting doctors to rural areas and addressing the high costs of graduate medical education, an increase in the amount of assistance available is needed to continue attracting physicians to work with underserved populations in the state.

The physician education loan repayment program was designed to address Texas' shortage of primary care physicians by incentivizing them to remain in the state and support them while they practiced in underserved urban and rural areas. Physicians in the United States often graduate with a heavy debt load, and the costs of obtaining a medical degree continue to rise. Many graduate medical students have left Texas upon graduation to pursue more lucrative family practices in other states. Increasing the amount of financial assistance available would provide further incentive for doctors to serve in Texas and to allow rural areas to compete with urban centers for quality physicians.

OPPONENTS SAY:

HB 2261 would allow for the continued use of tax dollars to subsidize educational costs for medical professionals. If individuals choose to take on debt to pay for their education, they should be responsible for repayment.

SUBJECT: Requiring the disclosure of gestational agreements in divorce petitions

COMMITTEE: Juvenile Justice and Family Issues — favorable, without amendment

VOTE: 8 ayes — Dutton, Murr, Bowers, Calanni, Cyrier, Dean, Shine, Talarico

0 nays

WITNESSES: None

BACKGROUND: Family Code ch. 160 subch. I governs gestational agreements between a woman and the intended parents of a child in which the woman relinquishes all rights as a parent of a child conceived by assisted reproduction and that provides that the intended parents become the parents of the child.

Sec. 160.754 establishes the process by which a prospective gestational mother, her husband if she is married, each donor, and each intended parent may enter into a gestational agreement.

Sec. 160.756 authorizes courts to validate gestational agreements. Validation of gestational agreements is subject to the court's discretion.

DIGEST: HB 1689 would require divorce petitions between married individuals that were the intended parents under a gestational agreement that was in effect to state:

- the existence of the gestational agreement;
- whether the gestational mother was pregnant or a child had been born under the gestational agreement; and
- whether the gestational agreement had been validated by a court.

The bill also would authorize an intended parent in a gestational agreement to file a lawsuit affecting the parent-child relationship if the parent filed jointly with the other intended parent in the gestational agreement or filed suit against the other intended parent.

The bill would take effect September 1, 2019, and would apply only to petitions for divorce filed on or after that date.

SUPPORTERS SAY:

HB 1689 would provide legal protection to intended parents and children conceived under gestational agreements by requiring petitions for divorce to include information about gestational agreements and by authorizing intended parents under such an agreement to file lawsuits regarding parent-child relationships.

By requiring courts to address gestational agreements at the time a divorce petition was filed, the bill would enable judges to determine the best outcomes for children in these divorce cases. This would reduce the need for further proceedings regarding parent-child relationships, especially if a gestational agreement was not previously validated by a court.

The bill would protect individuals pursuing assisted reproduction and empower more people to assert their right to enter into gestational agreements.

OPPONENTS SAY:

HB 1689 would protect certain practices that some Texans consider potentially harmful and morally questionable, such as in vitro fertilization and surrogacy.

SUBJECT: Revising school district purchasing and contracting requirements

COMMITTEE: Public Education — favorable, without amendment

VOTE: 12 ayes — Huberty, Bernal, Allen, Allison, Ashby, K. Bell, Dutton, M. González, K. King, Meyer, Talarico, VanDeaver

0 nays

1 absent — Sanford

WITNESSES: For — Jamie Spiegel, Round Rock ISD; Richard Gay, Caleb Steed, Shay Adams, and Michelle Morris, Texas Association of School Business Officials; (*Registered, but did not testify*: Eric Wright, National Cooperative Procurement Partners, National IPA; Deborah Caldwell, North East Independent School District; Barry Haenisch, Texas Association of Community Schools; Casey McCreary, Texas Association of School Administrators; Grover Campbell, Texas Association of School Boards; Dee Carney, Texas School Alliance; Bill Kelberlau; Ronda Mccauley)

Against — None

On — (*Registered, but did not testify*: Leonardo Lopez and Eric Marin, Texas Education Agency)

BACKGROUND: Education Code sec. 44.031 (a) requires school districts to use certain prescribed processes when contracting for the purchase of goods and services valued at $50,000 or more in the aggregate for each 12-month period, with an exception for contracts for the purchase of produce or vehicle fuel. Subsection (j) allows a district to purchase certain items that are available from only one source without competitive bidding.

DIGEST: HB 1556 would change requirements for certain school district purchasing contracts to apply to purchases of or contracts for the purchase of goods and services valued at $50,000 or more, rather than for those valued at $50,000 or more in the aggregate for each 12-month period.

A proprietary maintenance service and any other item or service that was provided by commissioner rule would be among the items and services that a district could purchase without following certain competitive bidding requirements if the item or service were available from only one source. The bill would repeal provisions requiring competitive bidding for sole source purchases involving certain data-processing equipment, certain school bus purchases, and certain campus-level purchases.

Districts would have to document any contract-related fee they paid to a purchasing cooperative. The bill would remove a deadline requiring competitive sealed proposals be evaluated and ranked within 45 days of the date they were opened.

The bill would take effect September 1, 2019, and would apply only to purchasing solicitations made on or after that date.

SUPPORTERS SAY:

HB 1556 would simplify the purchasing process for school districts by removing requirements for lengthy bid processes for relatively small purchases. Competitive bidding can be effective in safeguarding taxpayer dollars, but such requirements for publishing bid solicitations and reviewing bid proposals for small purchases can be cumbersome and costly.

The current law requirement for competitive bidding of purchases valued at $50,000 or more in the aggregate over a 12-month period has been confusing to administer. For instance, a procurement office might be required to initiate a longer bidding process for an item costing less than $100 if the aggregate limit had been reached. In another situation, a district that did not have to competitively procure a $35,000 contract in the fall semester might have to do so for a similar contract in the spring semester because the aggregate limit had been reached.

The bill would repeal unnecessary and outdated requirements related to sole-source purchases. For instance, districts currently must seek competitive bids to purchase maintenance service for computer software when such service can be provided only by the vendor that developed the software.

OPPONENTS SAY:

No concerns identified.

SUBJECT: Establishing the Texas Olive Oil Industry Advisory Board

COMMITTEE: Agriculture and Livestock — favorable, without amendment

VOTE: 9 ayes — Springer, Anderson, Beckley, Buckley, Burns, Fierro, Meza, Raymond, Zwiener

0 nays

WITNESSES: For — Cathy Bernall, Texas Association of Olive Oil, Lone Star Olive Ranch; Michael Paz, Texas Association of Olive Oil, Texana Brands, Texana Olive Ranch; (*Registered, but did not testify*: Christine McCabe, Texas Association of Olive Oil, Texas Mobile Mill; Robert Turner, Texas Poultry Association)

Against — None

On — Dan Hunter, Texas Department of Agriculture; (*Registered, but did not testify*: Larry Stein, Texas A&M AgriLife Extension Service)

DIGEST: HB 1514 would establish the Texas Olive Oil Industry Advisory Board to assist the Texas Department of Agriculture (TDA).

The board's duties would include assisting TDA in:

- assessing the state of the Texas olive and olive oil industry;
- developing recommendations to the agriculture commissioner and the Legislature to promote and expand the industry;
- identifying and obtaining grants and gifts to promote and expand the industry; and
- developing a long-term vision and marketable identity for the industry.

The board also would be charged with reviewing and providing guidance on rules impacting the Texas olive and olive oil industry.

The board could accept grants and gifts from any source to carry out its

duties. It would be administratively attached to TDA, which would provide staff necessary to carry out the boards' duties.

The nine-member board would be appointed by the agriculture commissioner and would consist of:

- five members who were olive growers, each of whom would represent one of the five olive-growing regions of Texas as determined by the commissioner;
- one representative of infrastructure who was engaged in harvesting, milling, or agritourism;
- one researcher or educator who was employed by an institution of higher education;
- one representative from Texas A&M AgriLife Extension Service; and
- one representative from TDA.

The members of the board would serve staggered six-year terms, with the terms of three members expiring on February 1 of odd-numbered years. Board members could be reappointed at the end of a term.

The board would elect a presiding officer from among its members.

For state officers or employees, serving on the board would be considered an additional duty of their office or employment. Members on the board would not be entitled to compensation or reimbursement of expenses.

The board would be required to meet twice each year as well as at other times deemed necessary by the agriculture commissioner.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

SUPPORTERS SAY:

HB 1514 would create an advisory board to the Texas Department of Agriculture (TDA) that would help the department in assessing the Texas olive oil industry and work to promote and expand the industry.

The board could help the Texas olive industry to grow and positively impact the Texas economy by leveraging state resources for research and planning purposes. The creation of an advisory board also would help legitimize the industry. TDA has similar advisory boards for other specialty crops, including shellfish, wine, and spinach industries.

There are concerns that some olive oil sold as "Texas Olive Oil" is not grown or produced in the state. An olive industry-specific board could work with the Department of Agriculture to guarantee the authenticity of olive oil marketed as a Texas product.

OPPONENTS SAY:

HB 1514 would create an advisory board that is probably unnecessary. The olive industry's trade association could assess its needs and deliver recommendations to the agriculture commissioner and Legislature.

SUBJECT: Sealing written divorce and annulment agreements from the public record

COMMITTEE: Juvenile Justice and Family Issues — favorable, without amendment

VOTE: 8 ayes — Dutton, Murr, Bowers, Calanni, Cyrier, Dean, Shine, Talarico

0 nays

WITNESSES: For — Rachel Reuter, Texas Family Law Foundation; (*Registered, but did not testify*: Amy Bresnen and Ashley Butler, Texas Family Law Foundation)

Against — None

BACKGROUND: Family Code sec. 7.006 allows spouses to enter into a written agreement, called an agreement incident to divorce or annulment, to amicably divide their assets and liabilities when divorcing or entering into an annulment. If a court approves the written agreement, it may set forth the agreement in full or incorporate the agreement by reference in the final decree.

DIGEST: HB 559 would specify that written divorce or annulment agreements that were incorporated by reference in the final decree of a divorce or annulment would not be required to be filed with a court or court clerk.

The bill would apply to agreements incorporated by reference in a final decree of divorce or annulment regardless of whether the decree was signed before, on, or after the bill's effective date.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

SUPPORTERS SAY: HB 559 would allow individuals to keep personal information contained in divorce and annulment agreements out of a court's records and, therefore, out of the public record. Such agreements often contain sensitive information about the spouses' properties, bank accounts, retirement assets, and other assets.

The bill would provide clear instructions to courts that these agreements would not need to be filed with the court. Current law does not specify whether they should be filed, and some courts require their filing while others do not.

OPPONENTS SAY:

No concerns identified.

`SUBJECT: Changing definition of first responder to include certain military forces

COMMITTEE: Public Health — favorable, without amendment

VOTE: 10 ayes — S. Thompson, Allison, Coleman, Frank, Guerra, Lucio, Ortega, Price, Sheffield, Zedler

0 nays

1 absent — Wray

WITNESSES: For — None

Against — (*Registered, but did not testify*: Jason Romero, Indivisible Texas; Elisa Saslavsky; Arthur Simon)

On — Robert Bodisch, Texas State Guard

BACKGROUND: Health and Safety Code sec. 161.0001 defines "first responder" as any federal, state, local, or private personnel who may respond to a disaster, including a member of the Texas State Guard.

Sec. 161.00707 requires the Department of State Health Services to develop a program for informing first responders about the department's immunization registry and educating first responders about the benefits of being included in the registry, including ensuring first responders receive necessary immunizations to prevent the spread of communicable diseases to which they may be exposed during emergency situations and preventing duplication of vaccinations.

Government Code sec. 437.001 defines "Texas military forces" as the Texas National Guard, the Texas State Guard, and any other military force organized under state law.

DIGEST: HB 1579 would amend the definition of first responder in the Health and Safety Code to include a member of the Texas military forces.

The bill would take effect September 1, 2019.

SUPPORTERS SAY:

By defining members of Texas' military forces as first responders, HB 1579 would allow them to access their immunization records and ensure their vaccinations were accurate and up to date. Members of state military forces put their lives at risk when they are deployed during state emergencies, and ensuring they receive necessary immunizations would help prevent the spread of communicable diseases and protect the health and safety of other first responders.

OPPONENTS SAY:

No concerns identified.

SUBJECT: Extending the Property Redevelopment and Tax Abatement Act

COMMITTEE: Ways and Means — favorable, without amendment

VOTE: 11 ayes — Burrows, Guillen, Bohac, Cole, Martinez Fischer, Murphy, Noble, E. Rodriguez, Sanford, Shaheen, Wray

WITNESSES: For — Jeffrey Clark, Advanced Power Alliance; Bill Lynch, Arlington Chamber of Commerce; Matt Sebesta, Brazoria County; Rick Davis, City of Baytown; Charles Reed, Dallas County Commissioners Court; Chad Burke, Economic Alliance Houston Port Region; Rocky Plemons, Fluor Enterprise; Greg Sims and Terry Thomas, Greenville Board of Development, Type A EDC; Bob Adair, Phillips 66; Charlie Hemmeline, Texas Solar Power Association; D. Dale Fowler, Victoria Economic Development Corp.; (*Registered, but did not testify*: Adam Burklund, Amshore US Wind, LLC; Mark Stover, Apex Clean Energy, Inc.; Fred Shannon, Applied Materials, HP, Hewlett Packard Enterprise; Dana Harris, Austin Chamber of Commerce, Texas 2050 Coalition; Janis Carter, Avangrid Renewables; Mike Meroney, BASF Corporation; Jake Posey, Bell; Melissa Shannon, Bexar County Commissioners Court; Paula Bulcao, BP America; Anthony Moline, Cedar Park Chamber of Commerce; Matt Barr, Cheniere Energy; Eddie Solis, City of Arlington, City of Frisco Economic Development Corporation; Brie Franco, City of Austin; Tammy Embrey, City of Corpus Christi; Randy Cain, City of Dallas, City of Round Rock; Leticia Van de Putte, City of Del Rio; Guadalupe Cuellar, City of El Paso; TJ Patterson, City of Fort Worth; Jon Weist, City of Irving; Jarrett Atkinson, City of Lubbock; Angela Hale, City of McKinney, McKinney Chamber of Commerce, McKinney Economic Development Corporation, Frisco Chamber of Commerce; Teclo Garcia, City of Mission, Mission Economic Development Corporation; Karen Kennard, City of Missouri City, City of Port Arthur; James McCarley, City of Plano; Christine Wright, City of San Antonio; Rick Ramirez, City of Sugar Land; Leslie Pardue, Clearway Energy; Sarah Matz, CompTIA; Adam Haynes, Conference of Urban Counties; Shayne Woodard, Corteva Agriscience, FreeportLNG, Enbridge, Tyson Foods; Jim Allison, County Judges and Commissioners Association of Texas; Charlie Hemmeline, Cypress Creek Renewables, EDF Renewable

Energy, Innergex Renewables USA, Lincoln Clean Energy, Longroad Energy, Native Solar, Orsted, The Brandt Companies LLC; Priscilla Camacho, Dallas Regional Chamber and Metro 8 Chambers of Commerce; Daniel Womack, Dow Chemical; Royce Poinsett, Duke Energy Renewables Inc.; Lisa Hughes, E.ON Climate and Renewables; Suzi McClellan, EDF Renewable Energy; Eric Wright, EDP Renewables, Lincoln Clean Energy; Shannon Meroney, Enel Green Power North America; Jamie Weber, EOG Resources; Samantha Omey, ExxonMobil; Trent Townsend, First Solar; Rebecca Young-Montgomery, Fort Worth Chamber of Commerce; Mark Borskey, General Electric Corp.; Steven Will, Greater Houston Partnership; Donna Warndof, Harris County Commissioners Court; Debbie Ingalsbe, Hays County; Mark Vane, HB Strategies; Juliana Kerker, HCA Healthcare; John Kroll, HMWK LLC; Shannon Ratliff, Invenergy; Jay Barksdale, Irving-Las Colinas Chamber of Commerce, Plano Chamber of Commerce; Jennifer Rodriguez, Lockheed Martin Aeronautics Company; Mindy Ellmer, Lyondellbasell and Olin; Daniel Casey, Moak, Casey & Associates; Holli Davies, North Texas Commission; Randy Cubriel, Nucor; Christina Wisdom, Occidental Petroleum; Jamaal Smith, Office of Mayor; Amber Pearce, Pfizer; Neftali Partida, Phillips 66; Christopher Shields, Port San Antonio, Toyota, Inc.; Scott Dunaway, Powering Texas; Caroline Joiner, Rackspace; Lucas Meyers, Recurrent Energy, LLC; Stephanie Reyes, San Antonio Chamber of Commerce; Sophie Torres, San Antonio Hispanic Chamber of Commerce; Michael Jewell, Solar Energy Industries Association; Russell Schaffner, Tarrant County; David Edmonson, TechNet; John R. Pitts, Texas Advanced Business Alliance; James Hines, Texas Association of Business; James LeBas, Texas Association of Manufacturers, TXOGA; Justin Yancy, Texas Business Leadership Council; Hector Rivero, Texas Chemical Council; Carlton Schwab, Texas Economic Development Council; Thomas Kowalski, Texas Healthcare and Bioscience Institute; Ryan Paylor, Texas Independent Producers & Royalty Owners Association; Virginia Schaefer, Texas Instruments; Shanna Igo, Texas Municipal Lague; Julia Parenteau, Texas Realtors; Lynette Kilgore, Texas Schools for Economic Development; Dale Craymer, Texas Taxpayers and Research Association; Tyler Schroeder, The Boeing Company; Mark Walter, Tradewind Energy; Julie Wheeler, Travis County Commissioners Court; Thomas Ratliff, Tri-Global Energy, Sunfinity Solar; Trace Finley, United Corpus Christi Chamber of Commerce; John Pitts, Jr, UPS; Jay

Brown, Valero; James Popp)

Against — Adam Cahn, Cahnman's Musings; Lynda Joan Somma; (*Registered, but did not testify*: Cutter González and Bill Peacock, Texas Public Policy Foundation; and seven individuals)

On — (*Registered, but did not testify*: Robert Wood, Comptroller of Public Accounts)

BACKGROUND:

Tax Code ch. 312, known as the Property Redevelopment and Tax Abatement Act, allows certain local governments to enter into temporary property tax abatement agreements in exchange for businesses locating certain facilities in their jurisdiction.

The Property Redevelopment and Tax Abatement Act expires on September 1, 2019.

DIGEST:

HB 360 would extend the expiration date of the Property Redevelopment and Tax Abatement Act to September 1, 2029.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

SUPPORTERS SAY:

HB 360 would extend the Property Redevelopment and Tax Abatement Act, which has helped local governments across the state attract businesses, strengthen their workforces, and increase their economic development.

By extending this abatement, HB 360 would preserve a tool for local governments to expand their tax bases and keep tax rates low for hard-working citizens. Tax abatements granted under the act allow local governments to attract new businesses, jobs, and economic opportunities to Texas by exempting a business's property from taxation for a period of time in exchange for its promise to build facilities in the government's jurisdiction. This results in additional tax revenue for local governments, as employees of these businesses purchase homes and spend their paychecks. During the term of the abatement, any pre-existing property

and inventory is still subject to property tax. When the abatement ends, new facilities are taxed at full value.

Agreements under the act help Texas compete with other states for investment. Texas has a relatively high property tax burden compared to other states, which represents a barrier to entry for many businesses who would otherwise consider transferring to, expanding, or investing in Texas. These agreements permit local governments to address concerns about this burden, allowing Texas to remain competitive.

Extending the expiration date for the Property Redevelopment and Tax Abatement Act also would protect taxpayers from bad deals by ensuring that agreements were not rushed to completion before the program's expiration.

A public hearing must be held to designate the real property that would be eligible for a chapter 312 agreement, providing an opportunity for public input. Elected officials also have to answer to voters who are unhappy about abatements in their communities.

OPPONENTS SAY:

HB 360 would continue a costly and potentially unnecessary incentive program.

Agreements under the Property Redevelopment and Tax Abatement Act can be costly for other taxpayers. In order to make up for the loss in revenue due to the abatements, local governments may either reduce the services that they provide or increase the taxes that homeowners and businesses that do not receive an abatement must pay.

There is a lack of evidence that businesses invest more capital and create more jobs in Texas as a result of the act. Local governments are not required to provide evidence that a business would not have made a particular investment without the abatement.

The process for local governments to enter into tax abatement agreements also lacks transparency. Negotiations with companies often take place without input from residents and taxpayers.

SUBJECT: Counseling students on how military service can lead to college credit

COMMITTEE: International Relations and Economic Development — favorable, without amendment

VOTE: 7 ayes — Anchia, Blanco, Cain, Larson, Metcalf, Perez, Raney

0 nays

2 absent — Frullo, Romero

WITNESSES: For — Jim Brennan, Texas Coalition of Veterans Organizations; (*Registered, but did not testify*: Mike Meroney, Texas Association of Manufacturers; Dominic Giarratani, Texas Association of School Boards; Ellen Arnold, Texas PTA)

Against — None

On — Bob Gear Jr., Texas Workforce Commission

BACKGROUND: Education Code sec. 33.007 requires public school counselors to provide information annually to high school students and their parents or guardians on a variety of issues, including the importance of postsecondary education, instructions on how to apply for federal financial aid, and the availability of programs in the district under which a student may earn college credit, among other issues.

DIGEST: HB 114 would require school counselors to inform high school students annually about the availability of college credit awarded by institutions of higher education to veterans and military service members for military experience, education, and training obtained during military service.

The bill would require the Texas Workforce Commission (TWC), in cooperation with the Texas Higher Education Coordinating Board (THECB), to develop and make available annually at each school district and open-enrollment charter school informational materials on this topic. The information provided by a counselor would have to explain to any

student who was enlisted or intended to enlist in the U.S. armed forces the informational materials developed by TWC and THECB.

HB 114 would apply beginning with the 2020-2021 school year. The bill would set a deadline of September 1, 2021, for the development and dissemination of informational materials created under this bill.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

SUPPORTERS SAY:

HB 114 would help young people better understand all of their postsecondary options by ensuring they were informed about how military service can lead to college credit. Military education and skills training in fields like medicine, communications, and technology can translate into college credit and prepare young people for the civilian workforce. A lack of information about these opportunities could have a detrimental effect on how high school students plan for their future in the military and beyond.

The bill would facilitate greater communication among high school counselors, military recruiters, the Higher Education Coordinating Board, and other stakeholders. It would support the goals of Texas' 60x30 plan to boost the proportion of Texans holding a postsecondary degree or endorsement. Because public school counselors already have statutory obligations to inform students of their postsecondary options, this bill would not result in any cost to the state.

OPPONENTS SAY:

No concerns identified.

SUBJECT: Requiring the use of a county early voting polling place

COMMITTEE: Elections — committee substitute recommended

VOTE: 9 ayes — Klick, Cortez, Bucy, Burrows, Cain, Fierro, Israel, Middleton, Swanson

0 nays

WITNESSES: For — Glen Maxey, Texas Democratic Party; (*Registered, but did not testify*: Cinde Weatherby, League of Women Voters of Texas; Daniel Gonzalez, Texas Realtors; Deece Eckstein, Travis County Commissioners Court; Adrian Shelley, Public Citizen)

Against — (*Registered, but did not testify*: Fatima Menendez, Mexican American Legal Defense and Education Fund)

On — Alan Vera, Harris County Republican Party Ballot Security Committee; Chris Davis, Texas Association of Elections Administrators; Christina Adkins, Texas Secretary of State Elections Division

BACKGROUND: Election Code sec. 85.010 requires certain political subdivisions to designate any early voting polling place established by the county and located in the political subdivision as an early voting place for a November election.

This requirement applies only to political divisions other than counties that are holding an election on the November uniform election date in which the political subdivision:

- is not holding a joint election with a county; and
- has not executed a contract with a county elections office under which the county and political subdivision share early voting polling places for an election.

DIGEST: CSHB 1048 would require certain political subdivisions, other than counties, that were holding an election on a uniform election date to

designate an eligible county polling place located in the political subdivision as an early voting place for the election.

An eligible county polling place would be defined as an early voting polling place established by a county, other than moveable temporary branch polling places established with the approval of the county clerk.

A political subdivision would be prohibited from designating a location other than an eligible county polling place as an early voting place. This prohibition would not apply if each eligible county polling place in the political subdivision was designated as an early voting polling place.

For an election held on the May uniform election date, a political subdivision would be required to designate an eligible county polling place established by a county for the most recent election held on the November uniform election date, to the extent possible.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

SUPPORTERS SAY:

CSHB 1048 would eliminate confusion regarding early voting by ensuring voters could cast their ballots in the same location for all elections to be held on a certain day.

Currently, a political subdivision such as a school district or hospital district may choose to hold an election using a different early voting polling place than that used for a county election occurring on the same day. This bill would lift the burden this places on individuals voting in more than one election by requiring political subdivisions to designate an eligible county polling place as an early voting polling place for the election, removing the need to vote at two different polling places.

The bill would not prevent political subdivisions from opening early voting polling places that were not eligible county polling places, so long as every eligible county polling place located in the subdivision was also designated as an early voting polling place.

OPPONENTS SAY:

CSHB 1048 would not go far enough to ensure that individuals did not end up visiting two separate locations in order to vote in different elections held on the same day. Under the bill, political subdivisions still could create polling locations exclusively for local elections if all eligible county polling places in the subdivision had also been designated. If a voter did go to a polling location for local elections only, that voter still would need to travel to a second location to vote in the county election.

SUBJECT: Adjusting tax exemption for motor vehicles used for religious purposes

COMMITTEE: Ways and Means — committee substitute recommended

VOTE: 10 ayes — Burrows, Guillen, Bohac, Cole, Martinez Fischer, Murphy, Noble, Sanford, Shaheen, Wray

0 nays

1 absent — E. Rodriguez

WITNESSES: For — (*Registered, but did not testify*: Kathryn Freeman, Texas Baptist Christian Life Commission; Jennifer Allmon, Texas Catholic Conference of Bishops)

Against — (*Registered, but did not testify*: Arthur Simon)

On — (*Registered, but did not testify*: Karey Barton and Lavonne Key, Texas Comptroller of Public Accounts)

BACKGROUND: Tax Code ch. 152 creates a tax exemption on the sale, use, or rental of motor vehicles used for religious purposes. To qualify as a motor vehicles used for religious purposes, a vehicle must:

- be designed to carry more than six passengers;
- be sold to, rented to, or used by a church or religious society;
- be used primarily by a church or religious society; and
- not be registered as a passenger vehicle or used primarily for the personal or official needs or duties of a minister.

DIGEST: CSHB 2338 would remove certain criteria for determining whether a motor vehicle used for religious purposes qualified for a tax exemption. Requirements that the motor vehicle be designed to carry more than six passengers and not be registered as a passenger vehicle would be eliminated.

The bill would take effect September 1, 2019, and would not affect tax liability accruing before the effective date.

SUPPORTERS SAY:

CSHB 2338 would eliminate certain criteria for determining whether a vehicle used for religious purposes qualified for a tax exemption, simplifying the determination process. The bill also would remove unclear language in statute that presents a barrier to claiming the exemption.

Existing eligibility requirements for the passenger capacity and registration type of a vehicle qualifying for a religious use tax exemption are too restrictive. By eliminating these requirements, the bill would make smaller vehicles eligible for the exemption, benefiting churches or religious societies that already use these types of vehicles.

Because of confusion about the language of current statute, compliance and enforcement of some criteria for the religious-use motor vehicle tax exemption is inconsistent. Some religious organizations already claim and receive tax exemptions for vehicles that may not be eligible for an exemption. By clarifying current statute, the bill would bring religious organizations into compliance and make it easier for automobile dealers, tax assessor-collectors, and the comptroller's office to make determinations on eligibility for the exemption.

CSHB 2338 would not add a new tax exemption for motor vehicles used for religious purposes, nor would it expand the types of organizations eligible for an exemption. Rather, it would clarify the definition associated with the existing exemption.

OPPONENTS SAY:

CSHB 2338 would extend tax exemptions for churches and religious societies, who already benefit from too many exemptions. Religious organizations should be taxed like other organizations to help meet the costs of public works and services.